



TRANSPORTATION CABINET

Frankfort, Kentucky 40622
www.transportation.ky.gov/

June 16, 2008

Steven L. Beshear
Governor

Joseph W. Prather
Secretary

TO: Recipients of the Kentucky Transportation Cabinet's
2008 Highway Plan

On behalf of Governor Steve Beshear, the Kentucky Transportation Cabinet (KYTC) is pleased to present the *2008 Highway Plan*. As required by the *Kentucky Revised Statutes, Chapter 176*, this Plan serves as a supplement to the Executive Branch Biennial Budget. The Plan is the vehicle through which major highway improvement projects scheduled for the upcoming biennium are submitted to the Kentucky General Assembly for approval. It also outlines the intent of the KYTC to pursue a specific list of projects over the coming years.

Since taking office in mid-December, the Governor's management team has been evaluating budgets, plans, and processes across state government. The Executive Budget, which was enacted by the 2008 General Assembly through HB 406, falls short of meeting the many challenges and obligations that lie ahead. This is certainly true of the state Road Fund which, even though showing some moderate growth, is not keeping pace with road construction prices. The prices associated with steel, asphalt, and other road-building materials have soared by 40% over the past three years.

As we assess the Transportation Cabinet's ability to meet future highway needs, we must recognize that when projects cost more, careful choices must be made about the type and extent of road system improvements we pursue. Kentucky's highway infrastructure represents a huge public capital investment that must be protected. Accordingly, the *2008 Highway Plan* contains many priority operational, maintenance, safety, pavement restoration, and bridge repair projects. As important as upgrading our existing infrastructure is today, the need is also great to adequately provide for the economy of tomorrow. Nowhere else in the state does that ring more true than in Louisville, Kentucky's largest city and premier economic engine. Without significant investment in a \$4.1 billion



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project designed to complete I-265 east of the city, reconstruct the aging Kennedy Interchange, and build a new downtown I-65 Ohio River crossing; Louisville will become an interstate freight bottleneck rather than the economic hub it can become if such investments are made. It is against the backdrop of carefully weighed maintenance, operational, safety, and economic issues that this Highway Plan was developed.

Including the remaining dollars for Fiscal Year 2008 and looking ahead through the Year 2014, the *2008 Highway Plan* is based on expectations that \$5.3 billion of state and federal highway dollars will be available to address transportation needs throughout the state during that time frame. It is necessary to note that the annual funding expectations for this edition of the Highway Plan have been balanced against projects scheduled for that year for every category except the State Construction Program (SP). As a result of Executive and Legislative Branch decisions dating back to the Year 2000, the SP Account has not been fiscally balanced for the past four editions of the Highway Plan. Our efforts to also factor inflation into the costs of projects throughout the *2008 Highway Plan* have now yielded an SP Account that contains over \$3 billion more in projects than funding exists to finance. In truth, the SP Account is essentially a "15-Year Plan" rather than a "Six-Year Plan."

Providing a safe and reliable transportation system that delivers economic opportunity and enhances the quality of life for all Kentuckians is the objective of the KYTC. The *2008 Highway Plan* provides a road map that is built around this objective in order to responsibly address our transportation system priorities within the funding resources available. It is the desire of Governor Beshear that we manage the responsibility for Kentucky's road network effectively and above reproach. We assure the citizens of the Commonwealth that we are working honorably, every day, to rebuild trust and credibility in Kentucky's highway programs.

Sincerely,

A handwritten signature in dark ink, appearing to read "Joe Prather", written in a cursive style.

Joe Prather
Secretary